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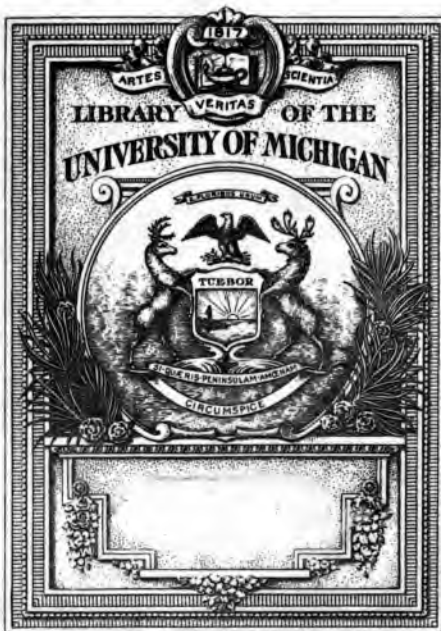
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UNITED STATES OF AMERICA

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UNITED STATES TARIFF COMMISSION

REPORT TO THE PRESIDENT

**UPHOLSTERERS' NAILS
CHAIR GLIDES, AND THUMB TACKS
FINISHED OR UNFINISHED**

**REPORT No. 56
SECOND SERIES**





UNITED STATES TARIFF COMMISSION

**UPHOLSTERERS' NAILS
CHAIR GLIDES, AND THUMB TACKS
FINISHED OR UNFINISHED**

REPORT TO THE PRESIDENT

ON

**THE DIFFERENCES IN COSTS OF PRODUCTION
OF UPHOLSTERERS' NAILS, CHAIR GLIDES, AND
THUMB TACKS, FINISHED OR UNFINISHED, IN
THE UNITED STATES AND IN THE PRINCIPAL
COMPETING COUNTRY, AS ASCERTAINED PUR-
SUANT TO THE PROVISIONS OF SECTION 336
OF TITLE III OF THE TARIFF ACT OF 1930**

**WITH APPENDIX
PROCLAMATION BY THE PRESIDENT**

REPORT No. 56

Second Series



**UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933**

UNITED STATES TARIFF COMMISSION

ROBERT L. O'BRIEN, Chairman

THOMAS WALKER PAGE, Vice Chairman

EDGAR B. BROSSARD

JOHN LEE COULTER

IRA M. ORNBURN

CHARLES R. CRISP

SIDNEY MORGAN, Secretary

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UNITED STATES TARIFF COMMISSION

WASHINGTON, D. C.

MAR 23 '35

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III

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LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, November 30, 1932.

MY DEAR MR. PRESIDENT: I have the honor to transmit herewith the report of an investigation made by the United States Tariff Commission of differences in costs of production in the United States and in the principal competing country, for the purposes of section 336 of Title III of the tariff act of 1930, of upholsterers' nails, chair glides, and thumb tacks, finished or unfinished.

This report is accompanied by a summary of information obtained by the commission in the investigation.

The draft of the proclamation, in quadruplicate, is being submitted through the Department of State, in compliance with Executive order of June 24, 1931.

Respectfully,

ROBERT L. O'BRIEN,
Chairman.

The PRESIDENT,
The White House.

UPHOLSTERERS' NAILS, CHAIR GLIDES, AND THUMB TACKS, FINISHED OR UNFINISHED

UNITED STATES TARIFF COMMISSION,
Washington, November 30, 1932.

To the PRESIDENT:

The United States Tariff Commission herein reports the results of an investigation of the difference in costs of production of upholsterers' nails, chair glides, and thumb tacks, finished or unfinished (par. 331), in the United States and in the principal competing country, for the purposes of section 336 of Title III of the tariff act of 1930, and its findings with respect thereto.

Upon consideration of the facts obtained in this investigation, the commission finds that the present rate of duty fixed by paragraph 331 of the tariff act of 1930 on upholsterers' nails, chair glides, and thumb tacks, of two or more pieces of iron or steel, finished or unfinished, namely, 3 cents per pound, should be increased to 4.5 cents per pound; and on thumb tacks not specially provided for, namely, $\frac{1}{10}$ cent per pound, should be increased to $\frac{1}{10}$ cent per pound.

On February 18, 1932, in compliance with a request of nine domestic producers, dated October 2, 1931, the commission instituted this investigation.

Public notice of the hearing was given on April 14, 1932. At this hearing, held in Washington, D. C., on May 19, 1932, parties interested were given reasonable opportunity to be present, to produce evidence, and to be heard, as required by law.

FINDINGS OF THE COMMISSION

1. Domestic production of upholsterers' nails, thumb tacks, and chair glides, of two or more pieces of iron or steel; 1-piece thumb tacks of iron or steel; and thumb tacks in chief value of material other than iron or steel, amounted, in 1931, to 642,452,000 pieces, a decline of approximately 47 per cent from 1929. Domestic manufacturers are primarily engaged in the production of a wide variety of articles not included in this investigation. Connecticut is the chief center of production.

Imports for consumption have increased materially since 1929, constituting in 1931 more than 50 per cent of domestic consumption.

Exports are negligible.

2. The year 1931 was used by the commission as the period for cost comparisons in this investigation. In respect to certain items of cost, that year was not a representative period, but in view of the limitation of section 336 with respect to the extent to which the duty can be changed, any difference in cost as between 1931 and a more representative year would not be sufficient to change the results of the cost comparison.

3. Germany is the principal competing country. Imports are almost entirely from that country. German manufacturers of these products also produce a large variety of articles not included in this investigation.

4. Twenty-nine representative domestic articles and like or similar articles produced in the principal competing country were selected for cost comparison. These 29 articles were combined into nine groups. The cost differences of these groups are representative of the cost differences of all articles included in this investigation.

5. Domestic costs were obtained from six representative producers who manufacture approximately 75 per cent of the total production of articles included in this investigation.

6. The distribution of these articles is country wide, with a concentration of upholsterers' nails and chair glides in Michigan and North Carolina, furniture manufacturing centers; the distribution of thumb tacks is according to density of population. Transportation charges from New York, the chief port of entry, and from Connecticut, the chief center of production, to the chief consuming markets are practically the same and are comparatively small in relation to costs.

7. The cost of production, as defined in section 336 (h) (4), was ascertained in the principal competing country for four of the 29 articles selected for cost comparison. These costs were closely comparable with the invoice prices, including charges incident to delivery at New York, on the bulk of the imports of the four articles for which costs were obtained. Costs of production were not readily ascertainable for the remaining 25 articles. The commission, in accordance with section 336 (e) (2) (A), accepted the weighted average of invoice prices as evidence of such production costs.

8. Costs of production as ascertained in accordance with section 336:

(A) The difference in cost of transportation from the chief port of entry and from the principal center of production to the principal domestic markets is negligible and has practically no effect on the average difference in cost delivered at domestic market. The only transportation, therefore, included in costs is transportation to New York, the principal port of entry for the foreign products.

(B) The excess of the average cost of production in the United States over the average cost of production in the principal competing country, including charges incident to delivery at New York, can not be determined precisely, but is more than \$0.045 per pound on upholsterers' nails, chair glides, and thumb tacks, of two or more pieces of iron or steel, finished or unfinished; and is more than \$0.009 per pound on thumb tacks not specially provided for.

(C) No other relevant factors constituting an advantage or disadvantage in competition were disclosed in the course of this investigation.

CONCLUSIONS

The commission finds it shown by the investigation:

(A) That the duty, expressly fixed by statute, of 3 cents per pound on upholsterers' nails, chair glides, and thumb tacks, of two or more pieces of iron or steel, finished or unfinished; and the duty of $\frac{1}{10}$ cent per pound on thumb tacks, not specially provided for, do not equalize the differences in costs of production, including transportation and

delivery to the principal markets in the United States of the domestic articles and the like or similar foreign articles produced in the principal competing country;

(B) That, within the limits specified in section 336 of the tariff act of 1930, an increase of 1.5 cents per pound in the rate on upholsterers' nails, chair glides, and thumb tacks, of two or more pieces of iron or steel, finished or unfinished; and an increase of $\frac{1}{10}$ cent per pound in the rate on thumb tacks, not specially provided for, are necessary to equalize those differences; and

(C) That the rates of duty, within the limits specified in section 336 of the tariff act of 1930, necessary to equalize those differences are 4.5 cents per pound on upholsterers' nails, chair glides, and thumb tacks, of two or more pieces of iron or steel, finished or unfinished; and $\frac{1}{10}$ cent per pound on thumb tacks not specially provided for.

Appended to this statement of findings is a summary of information obtained in this investigation.

Respectfully submitted.

ROBERT L. O'BRIEN,
Chairman.
THOMAS WALKER PAGE,
Vice Chairman.
EDGAR B. BROSSARD,
JOHN LEE COULTER,
IRA M. ORNBURN,
CHARLES R. CRISP,
Commissioners.



SUMMARY OF INFORMATION OBTAINED IN THE INVESTIGATION

Rates of Duty.

Commodity	Act of 1930			Act of 1922		
	Rate	Para-graph	Classification	Rate	Para-graph	Classification
Upholsterers' nails of iron or steel: Of two or more pieces.	<i>Cents per pound</i> 3.0	331	Upholsterers' nails of two or more pieces of iron or steel.	<i>Cents per pound</i> 1.5	331	Nails of iron or steel, n. s. p. f.
Thumb tacks of iron or steel: Of two or more pieces.	3.0	331	Thumb tacks of two or more pieces of iron or steel.	.6	331	Tacks, n. s. p. f.
Of one piece.....	.6	331	Tacks, n. s. p. f.....	.6	331	Do.
Thumb tacks of metal other than iron or steel.	.6	331	do.....	.6	331	Do.
Chair glides of iron or steel: Of two or more pieces.	3.0	331	Chair glides of two or more pieces of iron or steel.	<i>Per cent</i> 40	399	Manufactures of iron or steel, n. s. p. f.

Scope of the Investigation.

The investigation as ordered by the commission embraces all upholsterers' nails, chair glides, and thumb tacks, finished or unfinished, dutiable under paragraph 331 of the tariff act of 1930. These include the following articles when made of two or more pieces of iron or steel: (1) Upholsterers' nails, (2) 1-prong chair glides, and (3) thumb tacks. They also include (4) 1-piece thumb tacks of iron or steel, and (5) thumb tacks in chief value of other materials.

The investigation does not include solid-brass upholsterers' nails and 1-piece, 3-prong chair glides, which are dutiable under paragraph 397 as manufactures of steel not specially provided for.

Description and Uses.

Upholsterers' nails, also known in the trade as chair nails, are wire nails approximately one-half inch in length with heads varying in size, shape, and finish. They are made in several hundred different types, but predominately with round, convex heads, plated with brass, nickel, or other metal, enameled, or finished in other ways. Brass plate and enamel are the most popular finishes. There are two methods of fastening the heads to the wire shank: (1) By riveting the wire in a hole that has been pierced through the center of the head of the nail, or (2) by clinching the flattened end of the nail in a recess in the underside of the head. Nails finished by the second method are known as the solid head type and are usually considered of higher quality than the riveted nails.

Thumb tacks, which are used extensively in stores, in households, by draftsmen, and in many miscellaneous ways, are of two types—2-piece and 1-piece. The head of the 2-piece tack is either pierced for

riveting or solid with the head slightly convex and the underside concave (European style) or flat (American style).

The head of the 1-piece tack is flat. A wedge-shaped slot is pierced in the head, and the pointed piece of metal thus formed is bent down and squeezed to form the shank. In tacks of the highest grade the shanks are then swaged between rollers to a finer point. The higher grade 1-piece tacks are also casehardened. In 1931 approximately 40 per cent of the domestic tacks of this type were hardened.

Metal strips (for the 1-piece tack) or blanks and steel wire (for the 2-piece type) are fed into automatic machines which produce the complete articles at the rate of approximately 80 a minute.

Thumb tacks are polished, plated, enameled, or covered with celluloid. These finishing processes are automatic. Packing is done by hand in the United States.

Chair glides included in this investigation are of the center-prong type and are either soft or hardened. Hardening prevents roughening of the surface of the glides, which are fastened to the bottom of furniture legs to facilitate the moving of furniture across rugs or floors.

Domestic Production.

There are about 11 domestic producers of upholsterers' nails, thumb tacks, and chair glides, all of whom manufacture, in addition to these products, a wide variety of articles not included in this investigation. Eight producers are located in Connecticut, and one each in Massachusetts, New York, and Ohio. Approximately 60 per cent of the production of upholsterers' nails, thumb tacks, and chair glides is represented by three manufacturers in Connecticut. The production of these articles by all manufacturers amounts to less than 10 per cent of their total output of all articles.

In 1931 the output of the industry was not more than 55 per cent of its capacity; individual factories were operating at from 20 to 75 per cent of their maximum production. The decreased production in 1931 is reflected in Table 1, which shows sales for the period 1929 to 1931 for eight companies representing over 80 per cent of the total domestic production.¹

TABLE 1.—*Upholsterers' nails, thumb tacks, and chair glides: Sales of eight domestic producers, 1929-1931*

Article	1929	1930	Per cent decrease 1930 from 1929	1931	Per cent decrease 1931 from 1930
Upholsterers' nails, enameled.....	\$234, 363	\$141, 641	40	\$95, 366	33
Upholsterers' nails, plated steel.....	77, 309	55, 167	29	37, 688	32
Thumb tacks.....	195, 625	158, 185	19	130, 956	17
Chair glides.....	84, 080	43, 853	48	27, 990	36
Total.....	591, 377	398, 846	32	292, 000	27
	<i>Thousands shipped</i>			<i>Thousands shipped</i>	
Upholsterers' nails, enameled.....	382, 990	207, 530	46	130, 859	37
Upholsterers' nails, plated steel.....	152, 354	103, 707	32	78, 890	24
Thumb tacks.....	381, 795	299, 812	21	284, 083	5
Chair glides.....	53, 029	25, 653	52	16, 496	36
Total.....	970, 168	636, 702	34	510, 278	20

¹ Quantities are expressed in commercial records by number and not by weight; calculations have therefore been made on a numerical basis, and conversion to weights shown only in the final table of cost differences per pound.

One-piece (cut-out) tacks are produced by two manufacturers only. Another tack manufacturer imports a tack and covers it with celluloid. It is then identical with the imported celluloid-covered tack.

One type of upholsterers' nail now brass plated was formerly made by both domestic and German producers with a solid brass head only. The brass-plated substitute was first manufactured in Germany and was imported into the United States at a lower price than the nail with a solid brass head. To compete with these imports the domestic producers in 1931 began manufacturing a brass-plated nail.

In 1931 the production of steel upholsterers' nails and thumb tacks of two pieces represented 33 per cent and 49 per cent, respectively, of the total production of articles included in this investigation. Production by type of article is shown in Table 2 for 1931.

TABLE 2.—*Upholsterers' nails, thumb tacks, and chair glides: Domestic production, by type of article, 1931*

Article	Thousands	Per cent of total
Upholsterers' nails, 2-piece steel.....	208,914	32.5
Thumb tacks:		
2-piece steel.....	311,736	48.6
1-piece steel and celluloid covered.....	63,182	9.8
Metal other than steel.....	29,082	4.5
Total thumb tacks.....	404,000	62.9
Chair glides, 2-piece steel.....	29,538	4.6
Grand total.....	642,452	100.0

Since 1931 wages have been reduced somewhat, and rigid economies have been applied in overhead costs.

Exports.

Official export statistics are not shown separately for upholsterers' nails, thumb tacks, and chair glides, and manufacturers' records disclose no exports.

The Foreign Industry.

From information obtained by the commission in Germany it appears that there are more than 20 German producers of articles covered by this investigation. German producers, like the domestic, make a great variety of other articles. German firms making thumb tacks are organized into a cartel which regulates prices and sales terms of thumb tacks but does not control production. This organization is part of a larger cartel of manufacturers of small metal articles. Twenty producers of thumb tacks, representing 95 per cent of the total production, are members. The sale of upholsterers' nails and chair glides is not controlled by a cartel.

The machines and processes used in Germany, in general, are similar to those used in the United States, but the riveted head construction, which predominates in Germany, is produced on machines of a design slightly different from that in use in the United States.

During the last three years, 1930-1932, there has been little change in Germany in the cost of iron and steel used in the manufacture of upholsterers' nails, thumb tacks, and chair glides. Prices are fixed by the German steel cartel and have remained fairly constant. It should

be noted, however, that this cartel allows a rebate on the price of steel used in the manufacture of articles exported. The rebate amounts to somewhat less than one-fourth cent a pound on upholsterers' nails, thumb tacks, and chair glides. Early in 1932 wages were reduced approximately 10 per cent, and the working days per week were also reduced.

Imports.

Prior to the act of 1930, import statistics for iron or steel upholsterers' nails, thumb tacks, and chair glides were not shown separately, but beginning with the act of 1930 statistics are shown for iron or steel upholsterers' nails and thumb tacks of two or more pieces and for chair glides of two or more pieces of iron or steel. Statistics for 1-piece thumb tacks of iron or steel and for thumb tacks in chief value of material other than iron or steel are still included with those for spikes, tacks, brads, and staples, n. s. p. f., as in years prior to the act of 1930.

Imports are almost entirely from Germany. New York is the chief port of entry; San Francisco is second. Statistics of imports as published by the Department of Commerce are shown separately in Table 3 for upholsterers' nails and thumb tacks in two or more pieces and for chair glides in two or more pieces.

TABLE 3.—*Upholsterers' nails, thumb tacks, and chair glides, of two or more pieces of iron or steel: Imports for consumption, June 18, 1930, to June 30, 1932*

	Upholsterers' nails and thumb tacks in 2 or more pieces of iron or steel		Chair glides in 2 or more pieces of iron or steel	
	Quantity	Value	Quantity	Value
	<i>Pounds</i>		<i>Pounds</i>	
1930, June 18-Dec. 31.....	360,092	\$76,973	3,636	\$358
1931.....	1,193,403	194,621	11,277	1,104
1932, Jan. 1-June 30.....	624,298	128,100	4,718	513

Table 4 shows imports by types of articles in the years 1929 to 1931 as disclosed by an analysis made by the commission of invoices at New York. It also shows, for comparative purposes, statistics of production of the same types for the year 1931.

TABLE 4.—*Upholsterers' nails, thumb tacks, and chair glides: Analysis of invoices at New York, 1929-1931, and production, 1931*

[Thousands]

Article	Production 1931	Imports		
		1931	1930	1929
Upholsterers' nails, 2-piece steel.....	206,914	182,834	62,872	65,260
Thumb tacks:				
2-piece steel—				
Solid head.....	340,818	182,622	160,311	26,230
Celluloid covered, gura, and rodi.....	(1)	252,557	140,862	27,424
Other 2.....		34,663	22,336	35,150
1-piece.....	(1)	64,370	79,478	20,994
Total, thumb tacks.....	404,000	524,212	402,987	109,798
Chair glides, 2-piece steel.....	29,538	4,888	1,816
Total.....	642,462	711,934	467,675	175,068

¹ Can not be shown without disclosing confidential information, but included in total.

² Includes articles insufficiently described to classify.

The analysis of imports in the preceding table indicates that upholsterers' nails constitute about 26 per cent of imports covered by this investigation. In size and finish the imported upholsterers' nails are for the most part comparable with domestic production. Of nails comparable in these respects, 23 per cent have solid heads and are produced by methods similar to those used in the United States, and 77 per cent have riveted heads, made by a process not used in the United States. This difference in construction does not greatly affect costs.

Five general types of thumb tacks are imported and represent 74 per cent of the total imports. The five types are as follows:

1. The "gura" tack, brass-plated, with shank riveted to head. A slight variation is made in some of the gura tacks by stamping a star over the shank where it is riveted to the head. This is known as the "star gura."

2. The "rodi," a gura tack with brass-plated cap crimped over the head of the tack.

3. The celluloid covered tack, a gura tack with a celluloid cap.

4. The solid-head tack.

5. The 1-piece or cut-out tack.

Gura and rodi tacks are unlike any domestic tack, and the method of production used in their manufacture is not employed in the United States. They are low-priced and sold in large quantities to chain stores. One type of celluloid tack offered for sale by a domestic producer is an imported gura tack capped with celluloid in the United States before being sold. In 1931 imports of these three types of tacks represented 48 per cent of all tacks imported as disclosed by the analysis of invoices.

Imported solid-head tacks and cut-out tacks are similar to domestic tacks of corresponding type, except that the shanks of the imported tacks are softer. These two types of tacks together constitute 51 per cent of the total imports of tacks.

Imported chair glides are of soft steel with riveted heads, and differ materially in construction from the domestic. Chair glides represent less than 1 per cent of the total imports of articles included in this investigation.

Consumption in the United States.

As there are no exports of these articles, the total apparent consumption in the United States is the domestic production plus imports. Imports of all types, as disclosed by analysis of invoices at New York, comparable or not comparable with domestic products, represented 53 per cent of the consumption in 1931. These data are given in Table 5 for the year 1931.

TABLE 5.—*Upholsterers' nails, thumb tacks, and chair glides: Consumption in the United States, 1931*

Article	Production	Imports ¹	Consumption	Ratio of imports to consumption
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Per cent</i>
Upholsterers' nails, 2-piece steel.....	206, 914	182, 834	391, 748	46. 7
Thumb tacks.....	404, 000	524, 212	928, 212	56. 5
Chair glides, 2-piece steel.....	29, 538	4, 888	34, 426	14. 2
Total.....	642, 452	711, 934	1, 354, 386	52. 5

¹ As disclosed by analysis of invoices at New York.

Markets and Transportation.

The distribution of the articles covered by this investigation is country wide with a concentration of upholsterers' nails and chair glides in Michigan and North Carolina, the centers for the manufacture of furniture. The distribution of thumb tacks corresponds approximately with the density of population.

Transportation charges are relatively small in comparison with the cost of these articles. The rates are approximately the same from New York, the chief port of entry, and from Connecticut, the center of production, to domestic markets; therefore, transportation costs within the United States have practically no effect in determining the difference in cost of the foreign and domestic articles delivered at market.

Cost of Production in the United States.

Detailed cost data for 1931 were obtained from 6 producers representing about 75 per cent of the industry and 80 per cent of the production of the articles for which costs were obtained. For cost comparison, 29 articles, which in 1931 constituted approximately 60 per cent of the domestic industry and 55 per cent of the imports, were selected. Average costs were determined for each selected article, weighted on the basis of production in the individual plants. These costs of individual items were combined by means of a simple average to form nine representative groups.

Owing to the great variety in which upholsterers' nails and thumb tacks are produced and to the fact that the total production forms only a relatively small proportion of the total output of any company engaged in their manufacture, it is difficult even under normal conditions to determine precise costs on specific varieties. In the very nature of the case, costs on specific nails and tacks are based to a considerable extent on more or less arbitrary allocations of expense items. Under the abnormal conditions prevailing in 1931 the difficulties of obtaining unit costs were greatly increased. In particular, overhead (packing expenses and general and administrative expenses), which is a large element of costs, was higher in 1931 than in a more usual year because of the small extent to which productive capacity was utilized in that year. The domestic cost data given in Table 6, therefore, may not be taken as indicative of exact costs, but only as a rough approximation of the range of domestic costs, on specific upholsterers' nails and thumb tacks, under the conditions prevailing in 1931. For each item the high and the low domestic costs obtained in the investigation are shown.

It should be noted that the cost ranges of the several articles are not wholly comparable with one another, as every article is not produced by the entire group of firms.



TABLE 6.—Upholsterers' nails, thumb tacks, and chair glides: Average cost of production in the United States, 1931

Article	Cost per thousand	
	Highest cost	Lowest cost
Upholsterers' nails:		
Brass-plated—		
No. 9.....	\$0.471	\$0.427
No. 43.....	.482	.330
Enameled.....	.529	.431
Thumb tacks:		
2-piece plated—		
Size 2.....	.482	.350
Size 3.....	.560	.374
Size 4.....	.580	.409
1-piece—		
Size 2.....	(1)	(1)
Size 3.....	(1)	(1)
Size 4.....	(1)	(1)

¹ Can not be published without disclosing confidential information.

Cost of Production in Germany.

The commission obtained costs of production in Germany for four of the articles which are comparable with the domestic products. In addition, invoice prices, transportation, and other charges incident to delivery at New York were ascertained from all available invoices of entries at New York during 1931 for all articles comparable with the domestic production, including those for which costs were obtained in Germany. The invoices from which these data were taken represent approximately 80 per cent of the total imports for 1931. As only four costs were obtained in Germany, and as invoice prices were determined for all imports comparable with domestic production, the invoice prices are used as a basis for calculating the difference in cost of production in Germany and in the United States. This difference would be substantially the same if average German costs of production were used, as the cost of producing the bulk of the imports of the four articles for which costs were obtained in Germany compares closely with their invoice prices, including costs incident to delivery at New York. In the case of two of the articles the differences would be much greater if foreign costs were substituted for invoice prices, but those articles represent only 13 per cent of the imports.

The average cost of delivering the articles from foreign plants to New York amounts to \$0.013 per thousand. This includes foreign inland freight, ocean freight, marine insurance, and other charges. Charges at New York include brokers' fees and cartage, and amount to \$0.009 per thousand. The costs of the upholsterers' nails were based on data obtained on the solid-head type, similar in construction to the domestic nails. As there is but slight variation in the invoice prices of the solid-head and riveted-head nail, the result would be practically the same if costs were based on both types. The average invoice price, including packing, and the total cost at New York, are shown in Table 7 for each representative group of articles.

TABLE 7.—*Upholsterers' nails, thumb tacks, and chair glides: Average invoice price including packing, and total cost at New York, excluding duty, 1931*

[Per thousand]

Article	Invoice price, including packing	Total cost at New York, excluding duty
Upholsterers' nails:		
Brass-plated, No. 9.....	\$0.320	\$0.342
Brass-plated, No. 43.....	.115	.137
Enameled.....	.233	.255
Thumb tacks:		
2-piece, solid-head, plated—		
Size 2.....	.203	.220
Size 3.....	.224	.239
Size 4.....	.238	.259
1-piece—		
Size 2.....	.196	.218
Size 3.....	.232	.254
Size 4.....	.303	.325

Comparison of Domestic and Foreign Costs.

As previously stated, transportation costs from the principal port of entry, New York, and from Connecticut, the chief center of production, to the domestic markets are small and their difference is negligible; therefore, the only transportation cost included in ascertaining the difference in cost of production is the cost of transporting and delivering the foreign product to New York, the principal port of entry.

As the rates of duty are on a pound basis, domestic and foreign costs per thousand were converted to costs per pound.

The cost of manufacturing chair glides was not used in calculating the cost difference of the articles dutiable at 3 cents per pound. The foreign chair glides differ materially in construction from the domestic and constitute less than 1 per cent of the imports, and the domestic glides amount to less than 5 per cent of the production of all articles included in this investigation. As 2-piece chair glides and 2-piece upholsterers' nails and thumb tacks are made by the same producers and by similar methods and similar machines, differences in costs of production of the entire group are represented by those of upholsterers' nails and thumb tacks.

Table 8 gives the average weight in pounds per thousand of each group of articles and compares foreign invoice prices, taken as evidence of foreign costs, with the high and low domestic costs of production as already shown in Table 6. The cost differences shown on each item are subject to all the qualifications stated on page 10 with respect to the range of domestic costs on specific nails and tacks under conditions prevailing in 1931. They suffice, however, to indicate clearly that, with all adjustments which might be made because of the high overhead prevailing in 1931 and because of other factors, the cost differences in upholsterers' nails and 2-piece thumb tacks would remain much greater than could be equalized by the maximum increase in duty from 3 to 4½ cents per pound permitted by the statute. The costs of 1-piece thumb tacks can not be published without revealing confidential information, but these also indicate much more than the maximum allowable increase in duty.



TABLE 8.—Upholsterers' nails, thumb tacks, and chair glides: Comparison of domestic and foreign costs of production for 1931, and average weights per thousand articles

	Pounds per thousand	Range of domestic costs of production				Foreign costs, as evidenced by weighted average invoice prices, including transportation and other expenses, excluding duty, to port of New York		Excess of highest domestic cost over average foreign cost	Excess of lowest domestic cost over average foreign cost	Number packed to box
		Per thousand		Per pound						
<i>Dutiable at 3 cents per pound</i>										
Upholsterers' nails:		<i>High-est</i>	<i>Low-est</i>	<i>High-est</i>	<i>Low-est</i>	<i>Per thousand</i>	<i>Per pound</i>	<i>Per pound</i>	<i>Per pound</i>	
Brass-plated—										
No. 9.....	2.02	\$0.471	\$0.427	\$0.233	\$0.212	\$0.342	\$0.169	\$0.064	\$0.043	1,000
No. 43.....	.94	.482	.330	.514	.351	.137	.146	.368	.205	50
Enameled.....	1.69	.529	.431	.313	.255	.265	.151	.162	.104	50
Thumb tacks, 2-piece, plated:										
Size 2.....	1.00	.482	.350	.482	.350	.220	.220	.262	.130	100
Size 3.....	1.35	.560	.374	.415	.277	.239	.177	.238	.100	100
Size 4.....	1.70	.580	.409	.341	.240	.259	.192	.149	.048	100
<i>Dutiable at 1/10 cent per pound</i>										
Thumb tacks, 1-piece:										
Size 2.....	.79	(1)	(1)	(1)	(1)	.218	.276	-----	-----	100
Size 3.....	1.11	(1)	(1)	(1)	(1)	.254	.228	-----	-----	100
Size 4.....	1.38	(1)	(1)	(1)	(1)	.325	.236	-----	-----	100

1 Can not be published without disclosing confidential information.

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APPENDIX

